Registered number: 01557088

Britannia Pharmaceuticals Limited

Annual Report and Financial Statements

For the year ended 31 December 2021

Britannia Pharmaceuticals Limited

Company Information

Directors	R Scarlett-Smith R Wood
Registered number	01557088
Registered office	200 Longwater Avenue Green Park Reading Berkshire RG2 6GP
Independent auditors	PricewaterhouseCoopers LLP Savannah House 3 Ocean Way Southampton Hampshire SO14 3TJ

Britannia Pharmaceuticals Limited

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Britannia Pharmaceuticals Limited

Strategic Report
For the year ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Business review

The profit for the financial year amounted to £15.6m (2020 - £26.9m)

The Company's key financial and other performance indicators during the year were as follows:

	2021	2020	YoY
	£000	£000	%
Revenue	**64,820**	70,837	-8.5%
Gross profit	**37,315**	45,652	-18.3%
Profit for the financial year	**15,571**	26,937	-42.2%
Shareholders' funds	**76,825**	61,252	25.4%
Average number of employees	**96**	73	-31.5%

A reduction in turnover of 8.5% to £64.8m in 2021 (£70.8m in 2020) has been primarily driven by a reduction in royalty income from the Apokyn brand in the United States. There has also been a decrease year on year in the volume of sales of Denzapine in the UK offset by the introduction of Lecigon in European markets..

Gross margin has decreased to 58% for 2021 (64% in 2020) as a result of lower margin sales in the UK.

Operating profit has decreased due to lower sales and an increase in administrative expenses.

The Company carefully manages its working capital to enable it to support its future development projects.

The shareholders funds as at 31 December 2021 amounted to £76,825k (2020 amounted to £61,254k).

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key commercial risks inherent in the Company's sphere of activity include:

- Advances in drug technology rendering our products obsolete;

- Research or experience demonstrating that one or more of the ingredients in our products is harmful;

- Regulatory authorities withdrawing a license or permit and inability to get approvals for other products and territories; and

- Loss of key personnel with specialist knowledge.

We seek to manage these risks by operating with clearly defined procedures, by adhering to current good manufacturing practice and by closely monitoring technical and regulatory developments.

Financial risk management

We are exposed to a variety of financial risks. Our overall risk management program seeks to minimize potential adverse effects of these financial risks on our financial performance. The financial risks we are exposed to are as below:

Price risk

Britannia sells branded pharmaceutical products, the niche nature of our portfolio means it is not as susceptible to price reductions as suppliers of generic products. Britannia monitors stock levels and reviews the commercial environment to reduce price risk.

Credit risk

Credit risk is the risk that a counter party will be unable to pay amounts in full, when due. To mitigate this risk, credit checks are carried out on all customers. These tend to be primarily pharmaceutical wholesalers/distributors. The Company has little experience of bad debts.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

Foreign exchange risk

Foreign exchange risk refers to the risk of an unfavorable change in the settlement value of a transaction entered in a currency other than the base currency (domestic currency). This risk arises from movement in the base currency rates or the denominated currency rates. The Company makes both sales and purchases in foreign currencies. Exposure to foreign exchange risk is reduced as assets/liabilities in each foreign currency, principally Euros, are broadly matched with an equivalent liability/asset of the same foreign currency.

Cash flow risk

The Company's policy is to finance working capital or fixed assets through retained earnings or through borrowings from Group companies at the prevailing market interest rates. The treasury function is managed for the STADA Arzneimittel AG as a whole by a parent company in Germany.

Section 172(1) Statement:

Statement of directors duties

The directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between shareholders of the Company.

As part of their induction, a director is briefed on their duties and they can gain professional advice on these duties, either internally through our parent company or network of Group companies, or externally through an independent advisor.

The following paragraphs summarise how the directors fulfil their duties:

Strategic priorities:

The Company is a sector leading speciality pharmaceutical company, developing and commercialising drug device combinations for movement disorders through its speciality brands, and provides global marketing, training and an unrivalled nurse service across four continents. The directors of the Company intend to build on its existing infrastructure within the central nervous system (CNS) space, growing organically across all markets, whilst targeting third party products which can be added to its synergistic portfolio to drive EBITDA growth.

Innovation:

The directors of the Company are committed to developing drug device combination therapies that are simple to use and make life easier for patients and carers. Vast experience and deep knowledge of Parkinson's disease has enabled the pioneering development of drug delivery systems. The directors of the Company continue to invest in research and development and investigate market opportunities within the broader field of neurology with the aim of bringing new products to market.

Quality:

The Company maintains strict Quality Assurance controls and also operates processes whereby patients can raise any product complaint or suspected adverse event with the company 24 hours a day.

Risk management:

We provide products to our customers, which operate in very regulated environments. To ensure that the Company remains compliant in this complex environment, it is vital that the directors effectively identify, evaluate, manage and mitigate the risks they face, and ensure that their approach to risk management evolves to meet these challenges. For additional information on our approach to risk management please refer to the principal risks and uncertainties set out in the strategic report.

Community and environment:

The directors of the Company are committed to reducing its carbon footprint and are involved in local recycling schemes. The Company is based in an energy conscious business park and is constantly looking for ways to reduce our energy consumption and waste.

Strategic Report (continued)
For the year ended 31 December 2021

Our employees are also actively involved in volunteering schemes in the local community.

This report was approved by the board and signed on its behalf.

R Wood
Director

Date: 29 July 2022

Directors' Report
For the year ended 31 December 2021

The directors present their report and the audited financial statements for the year ended 31 December 2021.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the audited financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the audited financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the audited financial statements comply with the Companies Act 2006.

Principal activity

The principal activity of the Company is the distribution and marketing of pharmaceutical products.

Results and dividends

The profit for the financial year, after taxation, amounted to £15,571k (2020 - £26,937k).

The directors have not recommended an interim dividend during the year (2020 - £3,719k). The directors do not recommend the payment of a final dividend. (2020 – No final dividend).

Directors

The directors who served during the year were:

C Dengler (resigned 22 February 2021)
R Scarlett-Smith (appointed 22 February 2021)
R Wood

Qualifying third-party indemnity provisions

To the extent permitted by the UK Companies Act 2006, we are empowered to indemnify our directors against any liability they incur by reason of their directorship. Accordingly, we have provided our directors and executive officers with directors' and officers' liability insurance. This insurance was in place during the year ended December 31, 2021, and up to the date of signing of the financial statements.

Environmental matters

In general, the Company commits itself to the protection of people and the environment and works continuously to improve procedures and processes in order to minimise negative environmental impact and health risks. All employees in the Company are urged to take responsibility for dealing with these resources in a conserving, sustainable manner and are obliged to comply with the relevant regulations on the protection of people and the environment.

Future developments

The Company continues to invest in research and development and investigates licensing opportunities in its field.

The Company is intending to successfully launch the group's newly acquired product Lecigon throughout Europe in 2022. The Company has resubmitted its application for US Infusion pumps to the Food and Drug Administration in December 2021.

The directors are continuing to monitor developments following the UK leaving the European Union. So far there is minimal impact on the Company, as it continues to trade with European partners.

The directors are continuing to follow the various government policies and advice with respect to COVID-19 and are continuing with our operations in the best and safest way possible without jeopardising the health of our people. This has had minimal impact on our business and results.

Research and development activities

The Company continues to invest in research and development in the UK. During the year, the Company expensed £3,225,000 (2020 - £2,170,000) on research and development.

Statement on engagement with suppliers, customers and others in a business relationship with the company

Engagement with employees

Directors' communicate with the employees through regular town hall meetings disclosing plans for the future of the company along with current developments. Employees are encouraged to participate in these meetings and provide content and ask additional questions. Our employees are encouraged to develop their roles and careers through extensive training plans and personal development plans. Our employees are also set objectives each year and are encouraged to align these to the four company values, Integrity, Entrepreneurship, Agility and One Team.

Engagement with suppliers, customers and others

The directors of the Company enable and empower the business to understand and successfully engage with a wide range of customers, suppliers and consumers. The Company maintains a broad spectrum of customers that encompasses pharmacies, distributors, warehouses and a wide range of National Health Service customers ranging from individual hospitals and clinics to hospital trusts.

Disabled employees

The Company is committed to equal opportunities for all, free from discrimination and harassment, and values the contribution of all employees. All job applicants and employees, customers, visitors or contractors will receive equal treatment regardless of sex, race, disability, sexual orientation, religion or belief, age, colour, marital status, trade union membership, nationality or ethnic or national origins.

Going concern

The Company is expected to be profitable and cash generative for the foreseeable future. The Company has no third party debt and positive net current assets. Therefore, the directors have a reasonable expectation that the Company will have adequate resources to continue for the foreseeable future and for a period of at least 12 months from the date of approving the financial statements. Accordingly, they continue to adopt the going concern basis in preparation of the Annual Report and Financial Statements.

The directors regularly review the financial forecast for the forthcoming financial year and cash flow projections for a rolling 12 month period. Significant focus is placed on trading and sales information, allowing the directors to foresee and better manage future financial performance. This also includes consideration of a severe but plausible downside scenario.

Directors' confirmations

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There were no events after the reporting period.

Streamlined Energy and Carbon Reporting (SECR) statement for directors report 2021 :

In 2019 Britannia Pharmaceuticals Ltd carried out an independent analysis of Carbon emissions associated with our business activities. The published report identifies a full Carbon footprint for the organisation. Data analysed includes :

- Energy data (in kWh) for level 2, 200 Longwater Avenue, Reading (Britannia Pharmaceuticals offices).
- Mileage for staff cars, on business use.
- Waste associated with the organisation, including WEE, Clinical and Confidential waste.
- Air travel for the organisation, including Domestic, European and International flights
- Lease car mileage, on business use.
- Water usage.

Our consultants analysed a full 2019 calendar year. This will be used as our baseline year going forward.

As part of this analysis, our consultants have established :

- An energy usage of :
  - Electricity : 160,440 kWh, equating to 41 Carbon Tonnes
  - Gas : Nil
- Transport Fuel (based on an assumed Medium car, managed car category) : 90.90 Carbon Tonnes

For the purposes of SECR we have elected to report only the above two metrics.

SECR Statement (2019) :

Britannia Pharmaceuticals Ltd SECR statement 1/1/2019 – 31/12/2019 *		
UK Operations :		
Energy Consumption :		**Associated Carbon Tonnes : CO_2e**
Electricity :	160,440kWh	41 Tonnes
Gas :	Nil	Nil
Mileage :		
Staff cars :	331,057 Miles	90.90 Tonnes
Total Carbon Emissions for SECR statement:		**131.90 Tonnes of CO_2e**

**2019 Conversion factors – condensed set ; Department for Business, Energy and Industrial Strategy*

Our consultants have recently analysed a full 2021 calendar year.

As part of this analysis, our consultants have established :

- An energy usage of :
  - Electricity : 98,702 kWh, equating to 20.9 Carbon Tonnes
  - Gas : Nil
- Transport Fuel (based on an assumed Medium car, managed car category) : 50.6 Carbon Tonnes

Britannia Pharmaceuticals Limited

Directors' Report (continued)
For the year ended 31 December 2021

SECR Statement (2021) :

Britannia Pharmaceuticals Ltd SECR statement 1/1/2021 – 31/12/2021 *		
UK Operations :		
Energy Consumption :		**Associated Carbon Tonnes : CO_2e**
Electricity :	98,702 kWh	20.9 Tonnes
Gas :	Nil	Nil
Mileage :		
Staff cars :	190,896 Miles	50.6 Tonnes
Total Carbon Emissions for SECR statement:		**71.5 Tonnes of CO_2e**

**2021 Conversion factors – condensed set ; Department for Business, Energy and Industrial Strategy*

Our consultants have assessed energy usage against the CIBSE (Chartered Institution of Building Services Engineers) Energy benchmarking tool dashboard.

Air-Conditioned Prestige Offices, indicate a good electricity practice of 234 kWh/M^2/year. A typical practice electricity indicates 358 kWh/M^2/year.

Level 2, 200 Longwater Avenue measures some : 1,435 square meters. Thus, L2, 200 Longwater Avenue has an energy footprint of : **68.78 kWh/M^2/year**. This is exemplar but Covid – 19 'no / partial occupancy' energy usage rates, MUST still be taken into consideration here. As a comparable in 2019, this figure stood at : **111 kWh/M^2/year**. Again, this is exemplar.

Britannia Pharmaceuticals Ltd have chosen an Intensity Ratio of Tonnes of CO_2e per sales revenue, for indicative purposes. Sales Revenue in 2021 Totalled **£64,819,763**, thus our intensity ratio is : **71.5 Tonnes of CO_2e / £64,819,763 = 0.00000106 Tonnes of CO_2e per £. As a comparable,** in 2019 this figure stood at : **131.90 Tonnes of CO_2e / £63,293,160 = 0.00000208 Tonnes of CO_2e per £.**

Under normal circumstances the above would clearly indicate a good, reducing Carbon trend, however the worldwide Covid – 19 pandemic must still be considered here.

Britannia Pharmaceuticals Ltd's Carbon Footprint report, has made a significant number of carbon reducing recommendations, which we will follow and deliver. We have a declared carbon reduction statement of :

> **Britannia Pharmaceuticals Ltd commits to cut the GHG emissions from Scope 1, 2 and 3 activities by 70% by 2030, against a 2019 baseline.**

In addition, we are having a full energy audit and recommendations report assembled and will ensure that a comprehensive action plan is adhered to, going forward. This is our pathway to our stated 70% carbon reduction target.

Covid – 19 NOTE :

The Covid – 19 Pandemic will have still undoubtedly had a huge impact upon usual company operations in 2021. Both energy usage and business mileage may have been significantly reduced as a result. We anticipate that as business activity recovers and gets back to normality, Carbon emissions will sadly increase. The Pandemic has shown Britannia Pharmaceuticals how business can operate in a slightly better way though and how reduced emissions result. This will be adopted, in part, moving forward.

Britannia Pharmaceuticals Limited

Directors' Report (continued)
For the year ended 31 December 2021

Auditors

Under section 487 of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the Registrar, whichever is earlier. PricewaterhouseCoopers LLP has indicated its willingness to continue in office.

This report was approved by the board and signed on its behalf.

R Wood
Director

Date: 29 July 2022

Independent auditors' report to the members of Britannia Pharmaceuticals Limited

Report on the audit of the financial statements

Opinion

In our opinion, Britannia Pharmaceuticals Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2021; the Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information.

Independent auditors' report to the members of Britannia Pharmaceuticals Limited (continued)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, UK employment laws and medicine and healthcare product regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to overstatement of revenue and profits through posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

Independent auditors' report to the members of Britannia Pharmaceuticals Limited (continued)

- Enquiries of management around known or suspected instances of non-compliance with laws and regulations, claims and litigation, and instances of fraud;
- Understanding and evaluating management's controls that are designed to prevent and deter irregularities in the control environment;
- Identifying and testing journal entries using a risk based targeting approach for unexpected account combinations;
- Challenging assumptions and judgements made by management in their accounting estimates, in particular, the impairment assessment over specific intangible assets; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility

Sasha Lewis (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

29 July 2022

Britannia Pharmaceuticals Limited

Statement of Comprehensive Income
For the year ended 31 December 2021

	Note	2021 £000	2020 £000
Turnover	4	**64,820**	70,837
Cost of sales		**(27,505)**	(25,185)
Gross profit		**37,315**	45,652
Administrative expenses		**(19,137)**	(11,938)
Operating profit	5	**18,178**	33,714
Interest payable and similar expenses		**(119)**	(117)
Profit before tax		**18,059**	33,597
Tax on profit	9	**(2,488)**	(6,660)
Profit for the financial year		**15,571**	26,937
Total comprehensive income for the year		**15,571**	26,937

The notes on pages 17 to 39 form part of these financial statements.

Britannia Pharmaceuticals Limited
Registered number: 01557088

Statement of Financial Position
As at 31 December 2021

	Note		2021 £000		2020 £000
Fixed assets					
Intangible assets	11		**24,527**		19,153
Tangible assets	12		**2,522**		3,180
Investments	13		**70**		70
Deferred tax asset	20		**-**		395
			27,119		22,798
Current assets					
Stocks	14	**3,403**		3,489	
Debtors: amounts falling due after more than one year	15	**576**		-	
Debtors: amounts falling due within one year	15	**52,947**		45,136	
Cash And Cash Equivalents		**10,033**		3,775	
		66,959		52,400	
Creditors: amounts falling due within one year	17	**(16,235)**		(12,566)	
Net current assets			**50,724**		39,834
Total assets less current liabilities			**77,843**		62,632
Creditors: amounts falling due after more than one year	18		**(903)**		(1,264)
			76,940		61,368
Provisions for liabilities	21		**(115)**		(114)
Net assets			**76,825**		61,254
Capital and reserves					
Called up share capital	22		**1**		1
Profit and loss account			**76,824**		61,253
			76,825		61,254

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

R Wood
Director

Date: 29 July 2022

The notes on pages 17 to 39 form part of these financial statements.

Britannia Pharmaceuticals Limited

Statement of Changes in Equity
For the year ended 31 December 2021

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2020	1	38,035	38,036
Comprehensive income for the year			
Profit for the financial year	-	26,937	26,937
Total comprehensive income for the year	-	26,937	26,937
Dividends: Equity capital	-	(3,719)	(3,719)
Total transactions with owners	-	(3,719)	(3,719)
At 1 January 2021	1	61,253	61,254
Comprehensive income for the year			
Profit for the financial year	-	15,571	15,571
Total comprehensive income for the year	-	15,571	15,571
At 31 December 2021	1	76,824	76,825

The notes on pages 17 to 39 form part of these financial statements.

Notes to the Financial Statements
For the year ended 31 December 2021

1. General information

The Company is a private company, limited by shares, incorporated and domiciled in England, registration number 01557088. The Company is involved in the distribution and marketing of pharmaceutical products. The address of its registered office is 200 Longwater Avenue, Reading, Berkshire, England.

2. Accounting policies

2.1 Basis of preparation of financial statements

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of Nidda German Topco GmbH as at 31 December 2021 and these financial statements may be obtained from Nidda German Topco GmbH, Stadastrasse 2-18, 61118 Bad Vilbel, Germany.

2. Accounting policies (continued)

2.3 Going concern

The Company is expected to be profitable and cash generative for the foreseeable future. The Company has no third party debt and positive net current assets. Therefore, the directors have a reasonable expectation that the Company will have adequate resources to continue for the foreseeable future and for a period of at least 12 months from the date of approving the financial statements. Accordingly, they continue to adopt the going concern basis in preparation of the Annual Report and Financial Statements.

The directors regularly review the financial forecast for the forthcoming financial year and cash flow projections for a rolling 12 month period. Significant focus is placed on trading and sales information, allowing the directors to foresee and better manage future financial performance. This also includes consideration of a severe but plausible downside scenario.

2.4 Impact of new international reporting standards, amendments and interpretations

There are no amendments to accounting standards of IFRIC interpretations that are effective for the year ended 31 December 2021 that have had a material impact on the Company's financial statements.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency').

The financial statements are presented in Pound Sterling (£'000), which is the Company's functional and presentation currency. Dividend per share is presented in Pound Sterling (£). See note 10.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2. Accounting policies (continued)

2.6 Intangible assets

Purchased intangible assets with specific useful lives are recognised at cost and amortised on a straight-line basis over the period of useful life. Historical cost includes expenditure that is directly attributable to the aquisition of the intangible assets, including overheads. Amortisation shall begin when the asset is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the intended manner. The useful life of regulatory drug approvals, trademarks, licenses, dossiers with data for drug approvals or in preparation of drug approvals, copyrights and similar rights is no longer than 20 years.

Items of intangible assets are depreciated according to their useful life using the straight-line method as follows:

- Apo-go Brand - 20 years
- Trademarks - 10 years

Development costs

Development costs consist of costs involved initially in the technical implementation of theoretical discoveries in production and production processes and ultimately their commercial implementation.

As a rule, the objective of a development process at the Company is to obtain national or multinational regulatory drug approval. Development costs relative to obtaining approvals for existing drugs in new territories or with new delivery pathways by the Company result in capitalisation as intangible assets if all the following pre-conditions are met:

- It is technically possible to complete the asset (generally, achieve regulatory approval), enabling it to become available for use or sale.

- The intention and ability exist as well as the necessary resources to complete the asset and to use or sell it in the future.

- The intangible asset provides the Company with a future economic benefit.

- It must be possible to reliably calculate the development costs of the intangible asset

The Company immediately recognises development costs not eligible for capitalisation as an expense in the periods in which they are incurred. These include expenses for technical and regulatory maintenance in existing territories where products are approved for sale.

2. Accounting policies (continued)

2.7 Tangible assets

Tangible assets are reported at cost less depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation shall begin when the asset is available for use and is accordingly in the condition necessary for it to be capable of operating.

Subsequent costs are capitalised where a future economic benefit will flow to the Company and that the cost of the asset can be reliably measured. Expenses for repairs and maintenance which do not represent significant replacement investments are recognised as expenses in the financial year in which they are incurred. Where a significant part of a tangible asset is replaced, the remaining carrying amount of the asset replaced is derecognised. Any gain or loss arising on derecognition of the asset is included in the income statement in the period of derecognition.

Items of tangible assets are depreciated according to their useful life using the straight-line method as follows:

- Leasehold improvements – over the length of lease
- Machinery and equipment - 2 and 5 years

2.8 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the Statement of Comprehensive Income in those expense categories consistent with the function of the impaired asset.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the Statement of Comprehensive Income.

2. Accounting policies (continued)

2.9 Financial instruments

Classification

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial instruments at initial recognition. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Recognition and measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(a) Financial assets at amortised cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met (and are not designated as fair value through profit or loss):

- The asset is held within a business model whose objective is to collect the contractual cash flows, and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest.

Subsequent to initial recognition these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other (expenses)/income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss under 'net impairment losses on financial and contract assets.

(b) Financial liabilities at amortised cost

Financial liabilities at amortised cost include other payables and amounts due to related parties. The financial liabilities are initially recognised at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Financial liabilities are subsequently measured at amortised cost using the effective interest method. These are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

2.10 Impairment of financial assets

The company assesses on a forward-looking basis the expected credit loss associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.11 Investment in joint venture

Investment in joint ventures are held at cost less accumulated impairment losses.

2. Accounting policies (continued)

2.12 Stock

Stock is stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.13 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.15 Share capital

Ordinary shares are classified as equity.

2.16 Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.17 Current and deferred income taxes

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Statement of Financial Position date.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the accounting reference date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Company recognises revenue when performance obligations have been satisfied and for the Company this is when the goods and services have transferred to the customer and the customer has control of these. The Company's activities are described in detail below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Royalties and receivables from sales of the Company's licensed and owned products made by third parties are recognised when goods have been dispatched or services rendered in accordance with the underlying contractual agreement.

2. Accounting policies (continued)

2.19 Leases

The Company leases an office, various equipment and vehicles. Rental contracts are typically made for fixed periods of 3 to 10 years but may have extension options.

Contracts may contain both lease and non-lease components. The Company allocates the consideration of the contract to the lease and non-lease components based on their relative standalone prices. However, for the lease of real estate for which the Company is a lessee and for which it has major leases, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;

- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;

- Amounts expected to be payable by the Company under residual value guarantees;

- The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and

- Payments of penalties for the terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the profit and loss over the lease period so as to produce a constant periodic rate of interest on the remining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;

- Any lease payments made at or before the commencement date less any lease incentives received;

2. Accounting policies (continued)

2.19 Leases (continued)

- Any initial direct costs; and

- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Company has chosen not to revalue the right-of-use building held by the Company.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit and loss. Short-term leases are lease with a lease term of 12 months or less. Low value assets comprise IT equipment and small items of office furniture.

2.20 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

2.21 Dividends

Dividends on ordinary shares are recognised in the Company's financial statements in the period in which the dividends are approved by the Board of Directors.

2.22 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the present value of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the reporting date. Actual results may vary from the estimates used. The most significant judgements made are as follows:

Recognition of development costs

The recognition of development costs (note 11) requires significant judgement. In making the judgement, management assesses whether it will be technically possible to complete the asset that sufficient financial resources will be available, that regulatory approval is highly probable and the future economic benefits will exceed development expenditure when the product becomes commercially available.

Principal in joint venture agreement

Britannia Pharmaceuticals Limited has made a key judgement in the joint venture agreement with Supernus Pharmaceuticals Inc. Britannia is viewed as the principal party for the supply activities in the joint venture agreement and therefore recognises the transactions on a gross basis.

4. Turnover

Revenue is earned from third party royalty income and product sales.

An analysis of turnover by class of business is as follows:

	2021 **£000**	2020 £000
Royalties	**29,577**	40,478
Product Sales	**35,243**	30,359
	64,820	70,837

Analysis of turnover by country of destination:

	2021 **£000**	2020 £000
United Kingdom	**11,386**	12,920
Rest of Europe	**19,559**	12,178
Rest of the world	**33,875**	45,739
	64,820	70,837

5. Operating profit

The operating profit is stated after charging/(crediting):

	2021 £000	2020 £000
Research & development charged as an expense	**3,225**	2,170
Depreciation of tangible assets	**1,323**	1,319
Amortisation of intangible assets, including goodwill	**1,126**	3,004
Exchange differences	**1,099**	(233)
Defined contribution pension cost	**486**	389

6. Auditors' remuneration

	2021 £000	2020 £000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**81**	50

Fees payable to the Company's auditor in respect of:

All other services	**6**	6
	6	6

7. Employees

	2021 £000	2020 £000
Wages and salaries	**5,962**	4,429
Social security costs	**760**	659
Cost of defined contribution scheme	**486**	389
	7,208	5,477

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Cost of sales	**15**	9
Marketing	**7**	5
Selling	**29**	26
General Admin	**19**	14
Research and development	**26**	19
	96	73

8. Directors' remuneration

The highest paid director received remuneration of £367,000 (2020 - £394,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13,000 (2020 - £23,000).

The directors' aggregate emoluments, including pension contributions, in respect of qualifying services were:

	2021 £000	2020 £000
Salaries and other short-term benefits	**354**	371
Employer's pension contributions	**13**	23
	367	394

One director did not receive emoluments for his services, as he serves a number of companies in the Group.

9. Tax on profit

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	-	2,628
Adjustments in respect of previous periods	(805)	(5)
	(805)	2,623
Payment for group tax relief	3,474	4,073
	2,669	6,696
Total current tax	2,669	6,696
Deferred tax		
Adjustment in respect of previous periods	-	(36)
Changes to tax rates	(138)	-
Origination and reversal of timing differences	(43)	-
Total deferred tax	(181)	(36)
Taxation on profit on ordinary activities	2,488	6,660

9. Tax on profit (continued)

Factors affecting tax charge for the year

For the years ended 31 December 2021 and 2020, the Company was subject to UK Corporation Tax at a standard rate of 19%. Tax expense is lower (2020: higher) from the amounts computed by applying statutory UK tax rates as follows:

	2021	2020
	£000	£000
Profit on ordinary activities before tax	**18,059**	33,597
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	**3,431**	6,383
Effects of:		
Adjustments to tax charge in respect of prior periods - current tax	**(805)**	(5)
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	**-**	316
Adjustment in research and development tax credit leading to an increase in the tax charge	**-**	2
Adjustments in respect of prior periods - Deferred Tax	**-**	(36)
Payment for group relief	**3,474**	4,073
Group relief	**(3,474)**	(4,073)
Effect of rate change from 19% to 25%	**(138)**	-
Total tax charge for the year	**2,488**	6,660

The standard UK corporation tax rates enacted and substantively enacted as at 31 December 2021 are as follows:

- 19% with effect from 1 April 2017
- 25% with effect from 1 April 2023

Factors that may affect future tax charges

An increase to the tax rate from 1 April 2023 was substantively enacted at the balance sheet date.

The deferred tax liability at the period end has been calculated based on the rate of 25% substantively enacted at the balance sheet date on the basis that the temporary differences are expected to unwind when that rate applies.

10. Dividends

	2021 £000	2020 £000
Dividends - interim paid	-	3,719
	-	3,719

The Company has not paid a dividend in the year to its parent undertaking (2020: £3,719 per share).

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

11. Intangible assets

	Development Costs £000	Purchased Intangibles £000	Software £000	Total £000
Cost				
At 1 January 2021	**22,626**	**12,021**	**34**	**34,681**
Additions - external	**2,833**	**3,560**	**107**	**6,500**
At 31 December 2021	**25,459**	**15,581**	**141**	**41,181**
Accumulated amortisation				
At 1 January 2021	**6,768**	**8,726**	**34**	**15,528**
Charge for the year on owned assets	**519**	**584**	**23**	**1,126**
At 31 December 2021	**7,287**	**9,310**	**57**	**16,654**
Net book value				
At 31 December 2021	**18,172**	**6,271**	**84**	**24,527**
At 31 December 2020	15,858	3,295	-	19,153

Amortisation of intangible assets is recorded in cost of sales in the Statement of Comprehensive Income.

During the year there have been a number of reviews of development projects and the costs that have been capitalised.

12. Tangible fixed assets

	Leasehold Improvements £000	Plant and machinery £000	Short-term leasehold property £000	Motor vehicles £000	Office equipment £000	Total £000
Cost or valuation						
At 1 January 2021	**946**	**3,043**	**2,250**	**103**	**34**	**6,376**
Additions	**1**	**664**	**-**	**-**	**-**	**665**
At 31 December 2021	**947**	**3,707**	**2,250**	**103**	**34**	**7,041**
Accumulated depreciation						
At 1 January 2021	**468**	**1,892**	**720**	**92**	**24**	**3,196**
Charge for the year on owned assets	**95**	**848**	**-**	**-**	**-**	**943**
Charge for the year on right-of-use assets	**-**	**-**	**360**	**11**	**9**	**380**
At 31 December 2021	**563**	**2,740**	**1,080**	**103**	**33**	**4,519**
Net book value						
At 31 December 2021	**384**	**967**	**1,170**	**-**	**1**	**2,522**
At 31 December 2020	478	1,151	1,530	11	10	3,180

The net book value of owned and leased assets included as "Tangible fixed assets" in the Statement of Financial Position is as follows:

	2021 £000	2020 £000
Tangible fixed assets owned	**1,351**	1,629
Right-of-use tangible fixed assets	**1,171**	1,551
	2,522	3,180

12. Tangible fixed assets (continued)

Information about right-of-use assets is summarised below:

Net book value

	2021 £000	2020 £000
Property	**1,170**	1,530
Motor vehicles	**-**	11
Office and computer equipment	**1**	10
	1,171	1,551

Additions to right-of-use assets

Additions to the right-of-use assets during the financial year were £nil (2020: £nil).

Depreciation charge for the year ended

	2021 £000	2020 £000
Property	**360**	360
Motor vehicles	**11**	44
Office and computer equipment	**9**	11
	380	415

13. Fixed asset investments

	Associated undertakings £000	Joint ventures £000	Total £000
Cost or valuation			
At 1 January 2021	-	70	70
At 31 December 2021	-	70	70

On 16 March 2015, the Company entered into an agreement with US WorldMeds LLC (USWM) to establish a joint affiliate under common control (namely BRITUSWIP). BRITUSWIP has the same registered address as Britannia as noted on Page 1 of these financial statements. On 09 June 2020 the neurology portfolio of US WorldMeds LLC, including BRITUSWIP, was acquired by Supernus Pharmaceuticals, Inc.

An Investment in associates comprises of CNRD 2002 Limited a company limited by guarantee and incorporated in the United Kingdom. The address of the registered office of CNRD 2002 Limited is 7 Bell Yard, London, England, WC2A 2JR. The vaue of the investment made was £1.

The Company owns 33% of the share guarantee of CNRD 2002 Limited (2020: 33%). No dividends have been received.

14. Stocks

	2021 £000	2020 £000
Raw materials and consumables	1,413	925
Work in progress (goods to be sold)	18	18
Finished goods and goods for resale	1,972	2,546
	3,403	3,489

The cost of materials recognised as an expense in Cost of Sales amounted to: £17,895k (2020: £15,300k)

There was a write-off of stocks to the income statement in the year of £53k (2020: write-back of £217k). The Company's policy is to fully provide for any ancillary items of stock on purchase and any items that are within 6 months of their expiration date. These stock items are still available for sale and will result in a write back if sold.

The impairment value held against stock as at 31 December 2021 was £1,275k (2020: £1,222k)

15. Trade and other receivables

	2021 £000	2020 £000
Due after more than one year		
Deferred tax asset (See note 20)	**576**	-
	576	-

	2021 £000	2020 £000
Due within one year		
Receivables from contracts with customers	**3,912**	2,890
Amounts owed by group undertakings	**38,410**	32,707
Other debtors	**2,560**	3
Prepayments and accrued income	**8,065**	9,536
	52,947	45,136

No trade receivables fall due after more than one year (2020: £nil).

Trade receivables are stated after provisions for impairment of £80k (2020: £96k).

There was a write-back to the income statement in the year of £16k (2020: write-off £41k)

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

16. Cash and cash equivalents

	2021 £000	2020 £000
Bank and cash balances	**10,033**	3,775
	10,033	3,775

17. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	**3,278**	3,989
Amounts owed to group undertakings	**5,673**	1,404
Other taxation and social security	**654**	886
Lease liabilities	**558**	517
Other creditors	**828**	1,540
Accruals	**5,244**	4,230
	16,235	12,566

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

18. Creditors: Amounts falling due after more than one year

	2021 £000	2020 £000
Lease liabilities	**903**	1,264
	903	1,264

19. Leases

Company as a lessee

The Company has lease contracts for an office, some equipment and vehicles. The amounts recognised in the financial statements in relation to the leases are as follows:

Lease liabilities are due as follows:

	2021 £000	2020 £000
Not later than one year	**558**	517
Between one year and five years	**903**	1,264
	1,461	1,781

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2021 £000	2020 £000
Interest expense on lease liabilities	**92**	115

The total cash outflow for leases in 2021 was £472k, (2020: £529k)

20. Deferred taxation

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the statement of financial position date. Therefore the deferred tax assets at 31 December 2021 have been calculated at the rate of 25%. (2020 - 19%).

	2021 £000	2020 £000
1 January	**395**	310
Adjustment in respect of prior years	**-**	36
Credit for the year	**181**	49
31 December	**576**	395

20. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2021 £000	2020 £000
Accelerated capital allowances	**529**	348
Provisions	**47**	47
	576	395

Management considers to what extent it is probable that the deferred tax asset will be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible.

21. Provisions

	Long service award £000
At 1 January 2021	**114**
Charged to profit or loss	**1**
At 31 December 2021	**115**

22. Share capital

	2021 £000	2020 £000
Allotted and fully paid		
1,000 (2020 - 1,000) Ordinary shares shares of £1.00 each	**1**	1

23. Other financial commitments

At 31 December, the Company had the following capital commitments:

Contracts for future capital expenditure not provided in the financial statements:

	2021 £000	2020 £000
Other equipment	**-**	22

24. Post balance sheet events

There were no events after the reporting period.

25. Controlling party

The immediate parent undertaking is Genus Pharmaceuticals Holdings Limited, a company incorporated in the United Kingdom.

The ultimate parent and controlling party of Britannia Pharmaceuticals Limited is Nidda German Topco GmbH, incorporated in Germany. The Company is included within Nidda German Topco GmbH's consolidated financial statements which are publicly available from Nidda German TopCo GmbH, Stadastrasse 2-18, 61118 Bad Vilbel, Germany.

Nidda German Topco GmbH is the only company to consolidate the Company's financial statements.